INFORMATION LETTER

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No. 927 — Washington, D. C. — March 27, 1943

OPA DETERMINATION ON GRADE LABELING REOPENED

Administrator Brown Informs House Committee on Agriculture Final Decision Will Be Announced Early Next Week

Price Administrator Prentiss M. Brown told the House Committee on Agriculture, on March 25, that he had reopened the subject of grade labeling on this year's pack of canned foods, and that he would announce his decision the "early part of next week." Administrator Brown prefaced this announcement with a brief review of his administrative connection with the grade labeling requirement.

"Grade labeling was decided after I came into the Office of Price Administration," Mr. Brown stated, "but its inception was so far before that time and it had progressed so far that I had little real knowledge of it." After discussion with two leading grapefruit canners and with the OPA staff, the Administrator stated he reluctantly let it go through. However, he continued, he was still disturbed.

Three methods of solving the grade labeling problem were available, Mr. Brown said. One was to present the matter to the Attorney General of the United States for his opinion; another, to expedite the review of the grade labeling requirement by the emergency court provided for in the Price Control Act; and a third, to decide it himself. This last method, Mr. Brown indicated, was the one he adopted.

Mr. Brown has been invited to sit with the Committee to hear canners' opposition to grade labeling explained, along with the lack of necessity for grade labeling of canned foods as an implement of price control.

Harold K. Bachelder of the Association's Legislative Committee summarized the deterrents to production that would result from imposition of grade labeling at this time. This statement appears in full on page 7570. Mr. Bachelder concluded his statement by delivering to the Committee a letter from Charles R. Cosby, Secretary of the Label Manufacturers Association, furnishing information on the impracticability of making the proposed label

(Continued on page 7571)

Grade Labeling Investigation

Authority for the House Committee on Interstate and Foreign Commerce to conduct an investigation as to whether government agencies are formulating plans to substitute grade labeling for private brand names and whether grade labeling or simplification and standardization of production, marketing, and distribution are necessary to the war effort, has been approved by the House Rules Committee. The resolution was submitted by Representative Charles A. Halleck of Indiana.

A favorable report on the resolution was filed with the House, March 25, by the Rules Committee. House approval is now necessary.

Chester C. Davis Is Named Food Administrator

The President announced, March 25, the creation in the Department of Agriculture of an Administration of Food Production and Distribution under the direction and supervision of an Administrator appointed by the President.

The President announced that he had drafted Chester C. Davis to serve as Administrator. Mr. Davis was for several years the Director of the Agricultural Adjustment Administration and is now the President of the Federal Reserve Bank at St. Louis, Missouri. He has agreed to accept the appointment and will report for duty next Monday.

The announcement stated that the Administrator will have charge of what may be called the food production and distribution activities of the Department, including AAA, the food distribution activities that were transferred to USDA by the War Production Board last December, and the recruitment of farm labor recently transferred to the Department by the War Manpower Commission. The Extension Service and the Commodity Credit Corporation also will be under Mr. Davis.

The executive order creating the Food Production and Distribution Administration, however, does not give Mr. Davis any greater authority than was held by Secretary of Agriculture Claude R. Wickard. The executive order states that the new food administrator shall be directly responsible to the President, and in a press conference on March 26, Mr. Roosevelt said that final decisions would rest with him.

OPA ANNOUNCES CANNED PEA CEILINGS FOR 1943

Order Imposes Regional Pricing And Grade Labeling Requirements

Canners' ceilings for the 1943 pack of peas were established by the Office of Price Administration on March 24, and will become effective March 31. At the same time, OPA announced that similar price regulations for the 1943 packs of tomatoes, corn and beans would be announced shortly.

The pea prices are given in the accompanying table, which is a component part of Amendment No. 3 to Maximum Price Regulation No. 306, which requires grade labeling.

The Association mailed to all pea canners, by special bulletin, the table of prices and the governing portions of the text of the pea pricing amendment, as soon as it was released.

Full text of Amendment 3 to MPR No. 306 follows:

Maximum Price Regulation No. 306 is amended in the following respects:

1. Section 1341.553 (b) is added to read as follows:

(b) The packed vegetables covered by this regulation are as listed below and the maximum prices for each, f.o.b.

processor's plant, shall be the prices set forth in the respective section and appendix listed for each.

Item	*Section*	*Appendix*
(1) Peas	1341.584	B

2. Section 1341.584 is added to read as follows:

Section 1341.584 Appendix B: Maximum prices for packed vegetables.

(a) Peas

(1) The maximum prices per dozen containers, f.o.b. factory, for sales other than to government agencies, shall be as follows:

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5 Region I			Col. 6 Region II			Col. 7 Region III			Col. 8 Region IV		
Item No.	Variety	Sieve Size	Grade	No. 2 Can	No. 10 Can	Glass Jar 17 fl. oz.	No. 2 Can	No. 10 Can	Glass Jar 17 fl. oz.	No. 2 Can	No. 10 Can	Glass Jar 17 fl. oz.	No. 2 Can	No. 10 Can	Glass Jar 17 fl. oz.
1	Alaska	No. 1	A or Fancy	1.525	7.65	1.40	1.50	7.50	1.38	1.475	7.40	1.36	1.50	7.50	1.38
			B or Ex. Std.	1.375	6.90	1.27	1.35	6.75	1.25	1.325	6.65	1.23	1.35	6.75	1.25
			C or Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.20	6.00	1.12
2	Alaska	No. 2	A or Fancy	1.475	7.40	1.35	1.45	7.25	1.33	1.425	7.15	1.31	1.45	7.25	1.33
			B or Ex. Std.	1.325	6.65	1.23	1.30	6.50	1.21	1.275	6.40	1.19	1.30	6.50	1.21
			C or Std.	1.175	5.90	1.10	1.15	5.75	1.08	1.125	5.65	1.06	1.15	5.75	1.08
3	Alaska	No. 3	A or Fancy	1.375	6.90	1.27	1.35	6.75	1.25	1.325	6.65	1.23	1.35	6.75	1.25
			B or Ex. Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.20	6.00	1.12
			C or Std.	1.125	5.65	1.06	1.10	5.50	1.04	1.075	5.40	1.02	1.10	5.50	1.04
4	Alaska	No. 4 and up	A or Fancy	1.275	6.40	1.18	1.25	6.25	1.16	1.225	6.15	1.14	1.25	6.25	1.16
			B or Ex. Std.	1.175	5.90	1.10	1.15	5.75	1.08	1.125	5.65	1.06	1.15	5.75	1.08
			C or Std.	1.075	5.40	1.01	1.05	5.25	.99	1.025	5.15	.97	1.05	5.25	.99
5	Alaska	Ungraded	A or Fancy	1.275	6.40	1.18	1.25	6.25	1.16	1.225	6.15	1.14	1.25	6.25	1.16
			B or Ex. Std.	1.125	5.65	1.06	1.10	5.50	1.04	1.075	5.40	1.02	1.10	5.50	1.04
			C or Std.	1.025	5.15	.97	1.00	5.00	.95	.975	4.90	.93	1.00	5.00	.95
6	Sweet	No. 1	A or Fancy	1.575	7.90	1.44	1.55	7.75	1.42	1.525	7.65	1.40	1.525	7.65	1.40
			B or Ex. Std.	1.425	7.15	1.31	1.40	7.00	1.29	1.375	6.90	1.27	1.375	6.90	1.27
			C or Std.	1.275	6.40	1.18	1.25	6.25	1.16	1.225	6.15	1.14	1.225	6.15	1.14
7	Sweet	No. 2	A or Fancy	1.525	7.65	1.40	1.50	7.50	1.38	1.475	7.40	1.36	1.475	7.40	1.36
			B or Ex. Std.	1.375	6.90	1.27	1.35	6.75	1.25	1.325	6.65	1.23	1.325	6.65	1.23
			C or Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.175	5.90	1.10
8	Sweet	No. 3	A or Fancy	1.425	7.15	1.31	1.40	7.00	1.29	1.375	6.90	1.27	1.375	6.90	1.27
			B or Ex. Std.	1.275	6.40	1.18	1.25	6.25	1.16	1.225	6.15	1.14	1.225	6.15	1.14
			C or Std.	1.175	5.90	1.10	1.15	5.75	1.08	1.125	5.65	1.06	1.125	5.65	1.06
9	Sweet	No. 4 and up	A or Fancy	1.325	6.65	1.22	1.30	6.50	1.20	1.275	6.40	1.18	1.275	6.40	1.18
			B or Ex. Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.175	5.90	1.10
			C or Std.	1.125	5.65	1.06	1.10	5.50	1.04	1.075	5.40	1.02	1.075	5.40	1.01
10	Sweet	Ungraded	A or Fancy	1.425	7.15	1.31	1.40	7.00	1.29	1.375	6.90	1.27	1.375	6.90	1.27
			B or Ex. Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.175	5.90	1.10
			C or Std.	1.075	5.40	1.01	1.05	5.25	.99	1.025	5.15	.97	1.025	5.15	.97
11	Prince of Wales and Laxton	Ungraded	A or Fancy	1.475	7.40	1.35	1.45	7.25	1.33	1.425	7.15	1.31	1.425	7.15	1.31
			B or Ex. Std.	1.225	6.15	1.14	1.20	6.00	1.12	1.175	5.90	1.10	1.175	5.90	1.10
			C or Std.	1.075	5.40	1.01	1.05	5.25	.99	1.025	5.15	.97	1.025	5.15	.97

(2) The regions set forth in paragraph (a) (1) of this section shall be as follows:

Region I: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia and North Carolina.

Region II: Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Nebraska, North Dakota, South Dakota, Kansas, Missouri, Oklahoma, Arkansas, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, Kentucky and Tennessee.

Region III: Montana, Idaho, Wyoming, Utah, Nevada, Colorado, Arizona, New Mexico.

Region IV: Oregon, Washington, California.

(3) The maximum price for any variety and sieve size below Standard in grade shall be: In No. 2 cans, 15 cents per dozen less than the maximum price for Standard grade; in No. 10 cans, 75 cents per dozen less than the maximum price for Standard grade; and in glass jars of 17 fluid ounces, 12 cents per dozen less than the maximum price for Standard grade.

(4) Blends of sieve sizes:

(i) The maximum price of a blend of two sieve sizes of a variety and grade shall be the maximum price of the largest sieve size in the blend.

(ii) The maximum price of a blend of three sieve sizes of a variety and grade in a No. 2 can shall be five cents per dozen more than the maximum price of the largest sieve size in the blend, packed in a No. 2 can; the maximum price of a blend of three sieve sizes of a variety and grade in a No. 10 can shall be 25 cents per dozen more than the maximum price of the largest sieve size in the blend, packed in a No. 10 can; and the maximum price of a blend of three sieve sizes of a variety and grade in a glass jar of 17 fluid ounces shall be four cents per dozen more than the maximum price of the largest sieve size in the blend, packed in the same container.

(iii) The maximum price of a blend of four or more sieve sizes of a variety and grade shall be the same as the maximum price for ungraded sieve size of the same variety and grade in the same container.

(5) The maximum price for a variety, sieve size (including blends) and grade of peas packed in a 12-ounce vacuum can shall be ten cents per dozen less than the maximum price for the same variety, sieve size and grade packed in a No. 2 can.

(6) The word "ungraded," when used in connection with peas, refers to the sieve size and means not separated by sieve sizes.

This amendment shall become effective March 31, 1943.

Farm Machinery Unfrozen

The government freeze on the last remaining item of farm machinery needed for spring plowing, planting, tillage and early cultivation of war food and fibre crops has been lifted, the Department of Agriculture said March 24. It is anticipated that distribution directives for all haying and harvesting machinery will be issued to manufacturers before April 15.

Approximately 75 per cent of all types of rationed farm machinery, which was frozen in the Department's order of November 1, 1942, has now been freed.

N A T I O N A L C A N N E R S A S S O C I A T I O N

WASHINGTON, D. C.

March 27, 1943

Processors' Prices for 1943 Tomato Pack

The Office of Price Administration today made the following announcement on processors' maximum prices for the 1943 tomato pack:

Processors' maximum prices in dollars and cents per dozen cans for the 1943 pack of tomatoes were established by the Office of Price Administration today in the second such action this week. Similar action for canned peas was taken March 24, and maximum prices for the 1943 pack of corn and beans will be effected in the near future.

As in the case of the pea pack, the maximum prices established for canners of tomatoes are about the same as those for 1942 and there should be no appreciable increase at the retail level, where maximum prices are established under fixed mark-up regulations. OPA used 1942 costs for raw materials in establishing the maximums. The increase in prices paid to the farmers is absorbed under the Department of Agriculture's program.

Today's amendment becomes effective March 27, 1943. The maximum prices established for the canners will meet the requirements of the Emergency Price Control Act of 1942, as amended, in respect to return to the growers.

Again as in the case of the pea pack, the tomatoes are priced according to Department of Agriculture grades. Amendment No. 4 to Maximum Price Regulation No. 306 (Certain Packed Food Products) establishes five geographical zones for such pricing instead of the four used in the amendment to this regulation which covered canned peas.

All prices are f.o.b. canners factory. Today's amendment, like others to this regulation, also provides differentials to be used in pricing substandard grades. The five regions are set up this way:

Region I - Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York and Northern Pennsylvania (all of the State of Pennsylvania not included in Region II).

Region II - Delaware, Maryland, Virginia, West Virginia, New Jersey, Ohio, Kentucky, Tennessee, Indiana, Michigan, Illinois, Wisconsin, Minnesota, Iowa, Nebraska, North Dakota, South Dakota and Southern Pennsylvania (Bucks, Montgomery, Philadelphia, Delaware, Chester, Lancaster, York, Cumberland, Adams, Franklin, Fulton, Bedford and Somerset Counties).

Region III - North Carolina, South Carolina, Goergia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Kansas, Oklahoma and Texas.

Region IV - Montana, Idaho, Wyoming, Colorado, Utah, New Mexico, Arizona, and Nevada.

Region V - Oregon, Washington and California.

The maximum prices set by the regulation are:

Region and grade	No. 2 can	No. 2½ can	No. 10 can
Region I:			
Fancy	$1.325	$1.775	$6.30
Extra Standard	1.125	1.50	5.35
Standard	1.025	1.375	4.85
Region II:			
Fancy	1.30	1.75	6.20
Extra Standard	1.10	1.475	5.25
Standard	1.00	1.35	4.75
Region III:			
Fancy	1.225	1.675	5.85
Extra Standard	1.025	1.40	4.90
Standard	.925	1.275	4.40
Region IV:			
Fancy	1.25	1.70	5.95
Extra Standard	1.05	1.425	5.00
Standard	.95	1.30	4.50
Region V:			
Fancy	1.275	1.725	6.05
Extra Standard	1.075	1.45	5.10
Standard	.975	1.325	4.60

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OYSTER CEILINGS RAISED

OPA Permits Price Advance to Cover Costs and Full Brokerage

Taking cognizance of additional information on higher costs furnished by the industry since the canned oyster regulation went into effect on February 17, the Office of Price Administration on March 23 lifted the canner ceilings on canned Eastern and Gulf oysters 20 cents per dozen cans on the No. 1 picnic size and 45 cents per dozen cans on the No. 2 size.

This canner pricing change was brought about by Amendment 1 to Maximum Price Regulation No. 328, effective immediately.

The new processor ceilings on canned oysters produced in the Southeast Atlantic and Gulf of Mexico areas will be $3.35 per dozen on No. 1 picnic sizes, compared with $3.15 previously, and $6.25 per dozen on No. 2's, against $5.80.

According to the OPA press release, the following facts were submitted by the industry for consideration, and figured in the price increase granted by the amendment:

1. There is less careful culling of oysters by fishermen and feeding operations are less favorable. Oysters are thinner than last year, thus making the yield smaller.

2. The industry, in submitting its original reports, neglected to include a bonus to its fishermen, which always is given at end-season.

3. In computing the brokerage allowance in the original order, the amount allowed was based on a rate considerably below the usual 7 per cent figure. This now is corrected.

4. The allowance of an 8 per cent profit rate on costs is based on a study of the industry.

Tractor Repair Part Controls Eased by WPB Amendment

Controls on the distribution of repair parts for track laying tractors are modified by Supplementary Limitation Order L-53-b as amended recently by the War Production Board.

For the purposes of the order, any item of track-laying tractor repair parts for which the manufacturer has a backlog of orders is considered critical. The order establishes control over distribution at the producer level rather than at the dealer or distributor level.

The original order required that distribution of repair parts be made among classifications including direct military war projects construction and all other operations. Under the amended order, however, the classifications are broken down to add two more, and the percentage of production of critical parts that may be shipped to each is generally as follows:

1. Military—not more than 40 per cent.

2. War projects—not less than 20 per cent.

3. Essential civilian operations (planting, growing and harvesting of agricultural crops is defined as essential)—not less than 20 per cent.

4. Export—not less than 15 per cent.

5. Miscellaneous—for sales to persons or for purposes other than those covered by the first four classifications—5 per cent.

Percentages are based on the number of units of each critical repair part produced each month.

Specific items of repair parts for which no backlog of orders exists (determined on a monthly basis) are not covered by the new control of distribution set up by the amended order.

The urgent need for items of repair parts falling in the miscellaneous classification must be established by certification to WPB.

OPA Corrects Bean Prices

Following its issuance of the price schedule for dry edible beans below wholesale and retail levels, which was published in last week's INFORMATION LETTER, the Office of Price Administration issued a correction of its announced prices for red kidney beans. The correction follows:

In Office of War Information-Office of Price Administration Release OPA-T-670, for immediate release Thursday, March 18, Paragraph Three should read:

The amendment, which becomes effective March 25, sets these prices for red kidney beans: U. S. Choice Hand Picked, $6.40 a hundredweight; U. S. No. 1, $6.30; U. S. No. 2, $6.15; U. S. No. 3 and lower, $5.90. These represent increases of 60 cents a hundredweight.

Fish Hearing Postponed

The hearing proposed by the House Committee on Merchant Marine and Fisheries on a bill to transfer certain functions of the Fish and Wildlife Service to the Department of Agriculture, scheduled to be held on April 15, has been postponed to May 13.

CANNED TURKEY PROVISION

Pricing Change Places Midwest, Pacific Canneries on Same Basis

Acting to encourage production of canned turkey meat for Army and Navy use, the Office of Price Administration, on March 25, authorized turkey canneries producing for the Government and buying turkeys on an f. o. b. basis, to pay prices established for the seller's shipping point.

Previous to issuance of Amendment No. 7 to Revised Maximum Price Regulation No. 269, effective March 31, 1943, canners were permitted to pay no more than the maximum base price at their customary receiving point less the freight charge (multiplied by 1.22) from the seller's shipping point to their receiving point.

The new amendment may facilitate the movement of turkey stocks in storage in Utah, Oregon, and Washington to the large midwestern canneries. Previously, these canneries found that they could not secure these turkey stocks because the highest price they could pay—after deducting the freight rate from the Pacific Coast to the Midwest—was lower than the ceiling prices established for local wholesalers in the Pacific Coast area.

The amendment, in substance, places Midwestern canneries on the same competitive basis as the Pacific Coast canneries. Text of Amendment 7 to Revised MPR 269, is as follows:

Section 1429.20 (c) is added to read as follows:

(c) Third, the following exception is provided to paragraphs (a) and (b) of this section: When any person sells any turkey item to a purchaser who cans boned turkey meat for sale to the United States Government or any agency thereof, he may sell at his maximum base price f. o. b. his shipping point without subtracting his "freight rate" from the place where shipment begins to the place where shipment ends: *Provided*, That:

(1) The turkey items sold must be destined exclusively for processing into canned boned turkey meat, all of which must be sold and delivered to the United States Government or any agency thereof, and

(2) At the time of purchase, the purchaser of such turkey items must file with the seller and with the seller's regional or State OPA office an affidavit certifying that such purchaser has completely exhausted his own stocks of roaster, fowl, and turkey items suitable for processing into canned boned poultry meat.

DOLLARS AND CENTS PRICE CEILINGS ARE ESTABLISHED ON 90 PER CENT OF PACKERS' CANS FOR THE 1943 PACKS

Pricing Formula Continues Omission Of "End-of-Year" Discount; War-time Cans Priced

The Office of Price Administration by the issuance of Maximum Price Regulation 350, on March 25, fixed dollars and cents price ceilings for 90 per cent of the volume of packers' cans that are expected to be produced this year and provided a formula for pricing the remainder. The order is effective in the United States on March 31, and in Alaska and Hawaii, on May 15.

There is no change from the level of prices in effect in March, 1942, the base pricing date at which prices of the cans then being produced were frozen by the General Maximum Price Regulation. The only changes from prices in effect before Pearl Harbor, moreover, are the continued omission of a two per cent "end of the year" discount that some manufacturers allowed in 1941, but abandoned at the end of that year, and slightly higher prices in Hawaii and the West Coast caused by the closing of the Panama Canal to shipments of tin plate after Pearl Harbor. The higher prices in Hawaii and west of the Rockies were caused by the added cost of rail transportation and were reflected in the industry's March, 1942, prices. No further charge for freight or transportation increases since March, 1942, is allowed in the new regulation.

Pricing of the large volume of substitute cans made of electrolytic tin plate, which uses two-thirds less tin than the customary hot dip tin plate, is based on the lower cost of the electrolytic plate and the additional charges for the enamel this plate requires. Thus electrolytic tin plate cans with one side enamelled are priced the same as hot dip tin plate cans without enamel; electrolytic tin plate cans with both sides enamelled are priced the same as hot dip tin plate cans with only one side enamelled, and so on. Electrolytic tin plate cans with ends of chemically treated black plate (that is, coated with mixed crystals of zinc and ferric phosphates as a base for enamel) are given a lower price.

They are set forth in Appendix A of the regulation and are accompanied by an exact schedule of charges for extra enamelling as well as by the formula for determining prices of cans not priced specifically and provisions for additional charges and deductions that may be made for packages and packing services, for delivery in bags, transportation, and for allowances, quantity discounts, and credit terms.

The formula for establishing prices for sizes not listed in Appendix A is found in paragraph (c) of the Appendix and is similar in principle to the formula used to establish prices of cans sold to be packed in Hawaii.

Other provisions in the regulation include the following:

For delivery in cartons, an additional charge is allowed which is the same as the same producer made or had in effect between October 1 and October 15, 1941, for the same type of package or packing service.

Ten cents per bag, including packing service, is allowed for delivery in bags.

Maximum charges for delivery are the lowest freight charge for the shipment of an identical quantity of cans from the factory producing cans of the same size located nearest to the buyer's plant whether that factory is owned by the seller or another. It is provided, however, that for shipments in less-than-carload lots freight need not be absorbed by the seller in excess of the carload freight rate. Neither of these delivery provisions applies to key-opening, lithographed or other styles of can on which freight equalization was not customarily made between October 1 and October 15, 1941.

Quantity discounts and special allowances that the same producer had in effect to purchasers between October 1 and October 15, 1941, must be granted with the exception of the over-riding year end discount of two per cent granted by some producers in 1941.

Credit terms "shall not be more onerous than those which were customary between October 1 and October 15, 1941." Text of Regulation 350 follows.

§ 1306.501 Definitions

(a) When used in this regulation, the term:

"Electrolytic tin plate" means standard electrolytic tin plate, with approximately .50 tin coating.

"Hot dip tin plate" means standard hot dip tin plate, whether with approximately 1.50 or 1.25 tin coating.

"Packers' tin can" means any new open-top container, made of hot dip or electrolytic tin plate, or chemically treated black plate, or both, or charcoal plate, of the types known to the trade as packers' or sanitary cans.

"Person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing.

"Producer" means any person who manufactures packers' tin cans.

(b) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1306.502 Maximum prices

On and after March 31, 1943, regardless of any contract, agreement, lease or other obligation, no producer shall sell or deliver packers' tin cans, and no person shall buy or accept delivery of packers' tin cans from a producer in the course of trade or business, at prices higher than the maximum prices set forth in Appendix A hereof, and no person shall agree, offer, solicit or attempt to do any of the foregoing: *Provided*, That this section shall not apply to sales and deliveries of packers' tin cans when sold to be packed in the Territories of Hawaii or Alaska until on and after May 15, 1943: *Provided, further*, That this section shall not apply to sales and deliveries of packers' tin cans when sold to be packed in a place other than the Territories of Hawaii or Alaska if prior to March 31, 1943, such packers' tin cans had been received for shipment by a carrier other than a carrier owned or controlled by the seller, and shall not apply to sales and deliveries of packers' tin cans when sold to be packed in the Territories of Hawaii or Alaska if prior to May 15, 1943, such packers' tin cans had been received for shipment by a carrier other than a carrier owned or controlled by the seller.

§ 1306.503 Adjustable pricing

Any person may offer or agree to adjust or fix prices to or at prices not in excess of the maximum prices in effect at the time of delivery and, where a petition for amendment has been filed pursuant to § 1306.510 of this regulation, may offer or agree to adjust prices upon deliveries made during the pendency of the petition in accordance with the disposition of the petition.

§ 1306.504 Taxes

As to any tax upon, or incidental to, sales or deliveries of packers' tin cans imposed by any statute of the United States or statute or ordinance of any State or subdivision thereof, if the statute or ordinance imposing such tax does not prohibit the seller from stating and collecting the tax separately from the purchase price, and the seller does so separately state it, the seller under this regulation may collect, in addition to the maximum price, the amount of the tax actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased.

§ *1306.505 Less than maximum prices*

Lower prices than those established by this regulation may be charged, demanded, paid or offered.

§ *1306.506 Geographical application*

This regulation shall apply only to sales of packers' tin cans when sold to be packed in any one of the 48 States of the United States, the District of Columbia or the Territories of Hawaii or Alaska.

§ *1306.507 Evasion*

The price limitations set forth in this regulation shall not be evaded by direct or indirect methods.

§ *1306.508 Records and reports*

(a) Every person making a sale of packers' tin cans after the effective date of this regulation shall render to the purchaser an invoice on which shall be separately stated: (1) The date of the sale; (2) the name and address of the seller; (3) the name and address of the purchaser; (4) the quantity and description of the cans sold; (5) the selling price per thousand cans; (6) the additional charges, if any, for packages or packing services; (7) the additional charges, if any, for extra enamelling; and (8) the charge, if any, for delivery.

(b) Each invoice shall be retained by the purchaser and a copy thereof shall be retained by the seller for inspection by the Office of Price Administration, for a period of not less than two years, or as long as the Emergency Price Control Act of 1942 shall be in effect, whichever period is shorter.

(c) Persons affected by this regulation shall submit such reports to the Office of Price Administration as it may from time to time require.

§ *1306.509 Enforcement*

Persons violating any provision of this regulation shall be subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

§ *1306.510 Petitions for amendment*

Any person seeking an amendment of any provision of this regulation may file a petition for amendment in accordance with the provisions of Revised Procedural Regulation No. 1, issued by the Office of Price Administration.

Appendix A: Maximum prices for packers' tin cans

(a) Maximum prices per thousand cans, f. o. b. seller's plant, of the *sizes and styles listed in this paragraph*, when sold to be packed in:

1. *Territory No. 1:* namely, the District of Columbia and any State lying east of the western boundaries of Montana, Wyoming, Colorado, and New Mexico, *except* that part of western Colorado which is customarily included in Territory No. 2:

Styles	Sizes[1] No. 1 211 x 400	No. 2 307 x 409	No. 2½ 401 x 411	No. 3 cyl. 404 x 700	No. 10 603 x 700
Hot dip tin plate, no enamel	$13.85	$19.00	$22.60	$36.10	$57.20
Hot dip tin plate, 1 enamel[2]	14.85	20.25	24.60	39.35	63.70
Hot dip tin plate, 2 enamels[3]	15.85	21.50	26.60	42.60	68.70
Electrolytic tin plate, 1 enamel	13.85	19.00	22.60	36.10	57.20
Electrolytic tin plate, 2 enamels	14.85	20.25	24.60	39.35	63.70
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	14.25	19.50	23.40	37.10	59.70
Electrolytic tin plate body, 2 enamels, CTB ends.	14.85	20.25	24.60	39.35	63.70

2. *Territory No. 2:* namely, the State of Utah, and those parts of southern Idaho and western Colorado customarily known in the industry as the territory surrounding the State of Utah, as follows:

Styles	Sizes[1] No. 1 211 x 400	No. 2 307 x 409	No. 2½ 401 x 411	No. 10 603 x 700
Hot dip tin plate, no enamel	$14.89	$20.68	$24.08	$60.03
Hot dip tin plate, 1 enamel[2]	15.89	21.93	26.08	66.53
Hot dip tin plate, 2 enamels[3]	16.89	23.18	28.08	71.53
Electrolytic tin plate, 1 enamel	14.89	20.68	24.08	60.03
Electrolytic tin plate, 2 enamels	15.89	21.93	26.08	66.53
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	15.29	21.18	24.88	62.53
Electrolytic tin plate body, 2 enamels, CTB ends.	15.89	21.93	26.08	66.53

3. *Territory No. 3:* namely, Alaska and those States lying west of the western boundaries of Montana, Wyoming, Utah and New Mexico, except that part of southern Idaho which is customarily included in Territory No. 2:

Styles	Sizes[1] No. 1 211 x 400	No. 2 307 x 409	No. 2½ 401 x 411	No. 3 cyl. 404 x 700	No. 10 603 x 700
Hot dip tin plate, no enamel	$15.01	$20.85	$24.29	$38.77	$59.46
Hot dip tin plate, 1 enamel[2]	16.01	22.10	26.29	42.02	65.96
Hot dip tin plate, 2 enamels[3]	17.01	23.35	28.29	45.27	70.96
Electrolytic tin plate, 1 enamel	15.01	20.85	24.29	38.77	59.46
Electrolytic tin plate, 2 enamels	16.01	22.10	26.29	42.02	65.96
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	15.41	21.35	25.09	39.77	61.96
Electrolytic tin plate body, 2 enamels, CTB ends.	16.01	22.10	26.29	42.02	65.96

Styles	No. ¼ tuna 211 x 109	No. ½ tuna 307 x 113	No. 1 tuna 401 x 205.5	No. ½ O. D.[5] 513 x 307 x 103.5	No. 1 O. D. 406 x 607 x 108
Hot dip tin plate, no enamel	$11.10	$14.64	$20.18	$22.05	$25.32
Hot dip tin plate, 1 enamel[2]	11.85	15.64	21.43	23.30	27.32
Hot dip tin plate, 2 enamels[3]	12.60	16.64	22.68	24.55	29.32
Electrolytic tin plate, 1 enamel	11.10	14.64	20.18	22.05	25.32
Electrolytic tin plate, 2 enamels	11.85	15.64	21.43	23.30	27.32
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	11.50	15.14	20.98	[6]22.55	[6]26.07
Electrolytic tin plate body, 2 enamels, CTB ends.	11.85	15.64	21.43	[6]23.30	[6]27.32

Styles	No. 1 tall salmon 301 x 411	No. 1 tall salmon collapsed, ends loose	No. 1 flat Columbia 401 x 210.5	No. 1 flat Alaska 401 x 211	No. ½ flat collapsed, ends loose
Hot dip tin plate, no enamel	$18.23	$17.21	$19.79	$20.25	$14.29
Hot dip tin plate, 1 enamel[2]	19.48	18.46	21.04	21.50	15.29
Hot dip tin plate, 2 enamels[3]	20.73	19.71	22.29	22.75	16.29
Electrolytic tin plate, 1 enamel	18.23	17.21	19.79	20.25	14.29
Electrolytic tin plate, 2 enamels	19.48	18.46	21.04	21.50	15.29
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	18.73	17.71	20.59	21.05	14.79
Electrolytic tin plate body, 2 enamels, CTB ends.	19.48	18.46	21.04	21.50	15.29

Styles	No. ½ flat cans, 307 x 201.25	No. ½ flat ends[7]	No. 1 tall ends[7]	No. 1 flat ends[7]
Hot dip tin plate, no enamel	$15.21	$8.20	$7.04	$11.12
Hot dip tin plate, 1 enamel[2]	16.21	8.70	7.54	11.92
Hot dip tin plate, 2 enamels[3]	17.21	9.20	8.04	12.72
Electrolytic tin plate, 1 enamel	15.21	8.20	7.04	11.12
Electrolytic tin plate, 2 enamels	16.21	8.70	7.54	11.92
Electrolytic tin plate body, 1 enamel, CTB[4] ends.	15.71	.....	.....	.....
Electrolytic tin plate body, 2 enamels, CTB ends.	16.21	.....	.....	.....
CTB ends only	.....	8.70	7.54	11.92

[1] The sizes of cans are given in inches and sixteenths, the first number being the diameter and the second the height. The first digit is the number of inches, and the second and third digits are the number of sixteenths.

[2] "1 enamel" means enamelled on one side with sanitary or "C" enamel.

[3] "2 enamels" means enamelled on both sides with sanitary or "C" enamel.

[4] "CTB" means chemically treated black plate. CTB ends are enamelled on both sides.

[5] "O. D." means oval drawn.

[6] Body includes bottom end of electrolytic tin plate.

[7] Prices per 2,000 ends.

(b) *Maximum prices for packers' tin cans when sold to be packed in the Territory of Hawaii*—1. *Cans made of hot dip tin plate:* The prices of the American Can Company, charged or in effect between October 1 and October 15, 1941, as adjusted on or before March 31, 1942, for increases in transportation charges on tin plate.

2. *Cans made of electrolytic tin plate or chemically treated black plate or both:* When enamelled on one side, the price established in subparagraph 1 of this paragraph for cans of the same size made of hot dip tin plate with no enamel; when enamelled on both sides, the price established in subparagraph 1 of this paragraph for cans of the same size made of hot dip tin plate with one enamel; when the bodies are enamelled inside only and the ends are enamelled on both sides, there may be added a charge for one enamelling of the ends, which shall not exceed the applicable charge established in paragraph (f) of this Appendix A.

(c) *Maximum prices for sizes not listed in paragraph* (a) *of this Appendix A*—1. *Cans made of hot dip tin plate:* (i) When sold to be packed in the District of Columbia or any State lying east of the western boundaries of Montana, Wyoming, Colorado and New Mexico, except that part of western Colorado which is customarily included in the territory surrounding the State of Utah, the prices of the American Can Company charged or in effect between October 1 and October 15, 1941, for cans of such sizes.

(ii) When sold to be packed in the Territory of Alaska, or any State lying west of the western boundaries of Montana, Wyoming, Colorado and New Mexico, including that part of western Colorado which is customarily included in the territory surrounding the State of Utah, the prices established in subdivision (i) of this subparagraph as adjusted on or before March 31, 1942, for increases in transportation charges on tin plate.

2. *Cans made of electrolytic tin plate or chemically treated black plate or both:* When enamelled on one side, the prices established in subparagraph 1 of this paragraph for cans of the same size made of hot dip tin plate with no enamel; when enamelled on both sides, the prices established in subparagraph 1 of this paragraph for cans of the same size made of hot dip tin plate with one enamel; when the bodies are enamelled inside only and the ends are enamelled on both sides, the prices herein established for cans of the same size made of electrolytic tin plate enamelled on one side, plus a charge for one enamelling of the ends which shall not exceed the charge established in paragraph (f) of this Appendix A.

(d) *Maximum additional charges for cans made of charcoal plate:* The additional charge which the same producer charged or had in effect between October 1 and October 15, 1941, for cans of the same size and style made of charcoal plate.

(e) *Maximum additional charges for packages and packing services:* 1. For delivery in cartons, the additional charge which the same producer charged or had in effect between October 1 and October 15, 1941, for the same type of package or packing service. 2. For delivery in bags, 10 cents per bag, including packing service.

(f) *Maximum differentials for extra enamel,* if required by the purchaser in addition to the enamel included in the maximum prices established in this Appendix A, per thousand cans:

1. *For sanitary or "C" enamels:*

Size of can	Ends only	Bodies only	Complete can
No. 6 Z—202 x 308	$0.25	$0.55	$0.80
No. 208—208 x 208	.40	.50	.90
No. 1—211 x 400	.40	.60	1.00
No. 300—300 x 407	.50	.75	1.25
No. 1 Tall—301 x 411	.50	.75	1.25
No. 303—303 x 402	.50	.75	1.25
No. 2—307 x 409	.50	.75	1.25
No. 2½—401 x 411	.80	1.20	2.00
No. 3 Cylinder—404 x 700	1.00	2.25	3.25
No. 502—502 x 510	1.60	2.15	3.75
No. 10—603 x 700	2.50	4.00	6.50
No. ¼ Tuna—211 x 109	.40	.35	.75
No. ½ Tuna—307 x 113	.50	.50	1.00
No. 1 Tuna—401 x 205.5	.80	.45	1.25
No. ½ Flat salmon—307 x 201.25	.50	.50	1.00
No. 1 Flat salmon—401 x 210.5	.80	.45	1.25
No. ½ Oval drawn—313 x 307 x 103.5	[1].50	[2].75	1.25
No. 1 Oval drawn—406 x 607 x 108	[1].75	[2]1.25	2.00

[1] Top end only, as body and bottom are one piece.
[2] Body and bottom.

2. *For sanitary or "C" enamels for sizes of cans not listed in subparagraph 1 of this paragraph:* If the diameter is listed in subparagraph 1 of this paragraph, the differential for the ends shall be the differential listed for ends only opposite such diameter, and the differential for the bodies shall be an amount bearing the same proportion to the differential listed for bodies only opposite such diameter as the height of the can to be enamelled bears to the height of the listed can.[4]

3. *For special enamels:* The charge which the same producer charged or had in effect between October 1 and October 15, 1941, for enamel used in packing the same product.

(g) *Maximum charges for delivery:* The lowest freight charge for the shipment of an identical quantity of cans from the factory producing cans of the same size located nearest to the buyer's plant, whether such producer's factory is owned by another or by the seller: *Provided,* That in the case of shipments in less than carload lots freight need not be equalized in excess of the carload freight rates; *And provided further,* That this paragraph shall not apply to key-opening, lithographed, or other styles of can on which freight equalization was not customarily made between October 1 and October 15, 1941.

(h) *Allowances, quantity discounts, and credit terms:* There shall be deducted from the maximum prices established herein the quantity discounts and special allowances such as for delivery by runway (but not including the over-riding discount granted by some producers in 1941) which the same producer granted, or made available, to purchasers between October 1 and October 15, 1941. Credit terms shall not be more onerous than those which were customary between October 1 and October 15, 1941.

[4] For example, the maximum charge for ends size 211 x 300, if such size were made, would be 40¢, as 211 ends are listed. The maximum charge for the body would be ¾ of 60¢, or 45¢.

Rental of can closing machines to customers, OPA said, is covered in Maximum Price Regulation No. 136, where charges are restricted to those in effect October 1, 1941, therefore, it is not covered in Regulation 350.

Farm Aid From Women's Clubs

The Women's Advisory Committee of the War Manpower Commission has called upon women's clubs throughout the country to mobilize their members for active service on the nation's farms this summer.

In a statement to members of women's organizations the Committee, headed by Miss Margaret A. Hickey of St. Louis, urged physically able women to take a "personal responsibility" in meeting critical agricultural labor needs in their respective communities, as they arise.

Women's organizations were asked first to find out from their county agricultural agent or local U. S. Employment Service Office what are farm labor needs in their particular localities. In those communities where such labor is urgently needed, they are urged to poll their memberships for those willing to work on farms on a seasonal, vacation, or full-time basis and to give this information to the county agent or to USES.

Other activities suggested for women's organizations were to aid in mobilizing young people for farm work and provide necessary supervision of their living conditions; to assist local government officials in recruiting farm workers, and to acquaint women generally with the seriousness of the farm and food production problem through club educational program.

CANNERS CONTINUE USE OF ORDER P-115 UNDER CMP

Controlled Materials Plan Calls for Purchase Order Certification

Maintenance, repair and operating supplies for all industries are to be obtained after April 1, 1943, under Regulation 5 of the Controlled Materials Plan. Canners should endorse their purchase orders with the certification called for in CMP Regulation 5. Canners will continue to operate under order P-115 and, therefore, will not need a CMP allotment number. A canner using the certification in Regulation 5 will use the allotment symbol MRO (P-115). A purchase order bearing such certification shall be deemed an authorized Controlled Material Order, and shall have the same status as an order bearing an allotment number under all applicable CMP regulations.

Canners' use of CMP Regulation 5 is further clarified by the following letter received from R. E. Arnold, Chief, Priorities Division, Food Distribution Administration, Department of Agriculture:

"CMP Regulation 5 becomes effective April 1, and the comments we make are from this regulation published as of February 9. We understand it is in process of revision, but until the revised order is available, the February 9 issue is the guide.

"It should be understood, of course, that shipping containers of solid fiber, corrugated fiber, or wood, are excluded from both P-115 and CMP Regulation 5. Endorsements for the purchase of these shipping containers are to be made under the provisions of Order P-140.

"Order P-115 is to continue in operation; however, instead of the AA-1 rating for 'repairs and maintenance', and the AA-2X for 'operating supplies', provided by Order P-115, CMP Regulation 5 provides the AA-1 rating for all three, namely 'maintenance, repair and operating supplies', for all producers engaged in 'industrial food production, processing, packaging, preservation and storage.'

"Those canners or processors who are operating under P-115 shall use the endorsement provided in CMP Regulation 5 as follows:

'"CMP allotment symbol MRO—(Order P-115)—The undersigned certifies subject to the criminal penalties for misrepresentation contained in section 35 (A) of the United States Criminal Code, that the controlled materials covered by this order are required for essential maintenance, repair or operating supplies, to be used for a purpose listed in Schedule I or Schedule II of CMP Regulation No. 5 and that delivery thereof will not result in a violation of the quantity restrictions contained in paragraph (f) of said regulation."'

"This endorsement includes the quantity restriction certification, and it should be noted that CMP 5 provides that during 1943 MRO endorsements are not to be made for more material than the amount purchased for the same purposes during 1942. Most producers are restricted each quarter to purchases of not more than one-fourth of the annual total; however, producers of seasonable products such as fruits and vegetables, are not bound by the quarterly restriction, but, of course, are bound by the total annual quantity restriction.

"CMP Regulation 5, as of February 9, provides for the purchase of capital equipment of value not over $500; however, it is distinctly provided that such purchases of capital equipment are to 'be included as maintenance, repair and operating supplies', and are therefore regulated by the annual quantity restrictions.

"Paragraph (k) (2) of CMP Regulation 5 requires that reports must continue to be filed by producers whose operations are covered by Order P-115. Under this clause, it will be proper for producers under Order P-115 to continue sending in each month copies of purchase orders on which they have made the MRO endorsements.

"CMP Regulation 5, of course, covers only 'maintenance, repair and operating supplies', and for capital equipment it is still proper to make application on form PD-285 and for construction on form PD-200."

Sweet Potato Support Prices

The Department of Agriculture has announced support prices of U. S. No. 1 grade sweet potatoes, produced in 1943, at $1.15 to $1.45 per bushel, depending on seasonal differences, to encourage growers to meet the production goal of one million acres. The 1943 goal for sweet potatoes recently was increased 32 per cent over the earlier goal, which had called for the same acreage as planted in 1942.

Prices will be supported through purchases by the Food Distribution Administration at $1.15 per bushel during the harvesting season from August through November; at $1.30 per bushel in December and January, and at $1.45 per bushel during February, March, and April. Prices apply to U. S. No. 1 grade packed in either bushel crates, baskets, or hampers. Sacked potatoes are at a 10 cent discount, and U. S. No. 2 containing 75 per cent or better of U. S. No. 1 will be supported at 15 cents below the prices for U. S. No. 1.

Manpower Poster Orders

Orders already placed by canners for posters and advertising mats to be used in the labor recruitment program show that the industry is making a good start on the job. Enthusiastic letters have came to the Association commending the program as a whole and praising the character of the posters and the advertising copy. Because the success of the program depends on early action to organize local plans and obtain necessary supplies, canners who have not arranged for supplies are urged to place their orders immediately for posters and advertising mats. And they are also reminded that posters and advertisements are really effective only when used continuously and in amounts ensuring adequate coverage of the territory.

New Sugar Zone Created

An amendment to the sugar-zoning regulations, issued March 27 by the Office of Price Administration, creates a new zone in New York State, known as Zone 2A, into which both Philadelphia and New York refiners may ship sugar.

The newly created Zone 2A is that part of New York State west of a line drawn from Oswego, through Fulton, Syracuse, Cortland, and Binghamton and includes these cities. Previously, this area was included in Zone 2 and was supplied by the New York refiners. Zone 2 now includes the balance of New York State and the entire State of Connecticut as well as the New Jersey counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Passaic, Sussex, and Union.

The new zone is established under provisions of Amendment 2 to the Fourth Revised Zoning Order, effective March 24, 1943.

Green, Wax Bean Pack

The 1943 pack of green beans, as compiled by the Association's Division of Statistics, was 19,624,602 cases of all sizes of containers, as compared with 10,861,968 cases in 1941. The wax bean pack last year was 2,057,239 cases as compared with 1,632,351 in 1941.

Statement to House Agriculture Committee on Mandatory Grade Labeling

The mandatory grade labeling which the OPA is threatening to impose upon the food canning industry is a proposed requirement that each can of food for civilian consumption bear a statement of the grade of the contents of the can as determined by the system of grading in use by the Food Administration. This proposal will herein be referred to merely as "grade labeling," and the system of grading will herein be referred to as "AMA grades." This subject matter is highly controversial, and has been brought up for consideration by Congress at various times in the past. In every instance Congress has refused to impose the system upon the industry. The canning industry does not operate under this system, and its imposition will be a definite change and disturbance in the existing method of doing business and distribution of canned foods.

Several fundamental facts must be kept in mind in any consideration of the problem. The first of these is that AMA grades do not conform to grading as done commercially in the industry. The second is that there is no relation between AMA grades and the food value of the product; in fact, the lower grade product frequently has more food value than the higher grades of the same product. The third thing to be remembered is that there is no direct relationship between AMA grades and consumer preference; in many localities and instances consumer preference is for a lower grade of a product. The fourth thing to be remembered is that the contents of a can may, and often do, change grade after the can is packed and labeled. In some instances the product will grade higher two months after canning than at the time it is canned. In others it may grade lower at a later time. In many products the method of handling and storage may cause a reduction in grade. Fifth, it must also be realized that the prime element of consumer choice in food is flavor or taste, and that in AMA grading of many products this element is not considered at all or is given an arbitrary score depending on the grading of some other element. Sixth, it must also be remembered that the definitions of grades are very difficult, and in many cases impossible, of uniform application. This is well illustrated by the provisions in some grades for considering the presence or absence of defects, wherein the definition of Grade A is "practically free from defects," the definition for Grade B is "reasonably free from defects," and the definition for Grade C is "fairly free from defects."

With these fundamentals in mind it must be recognized that the Food and Drug Administration is chargeable with the enforcement of the law against misbranding of food, and that they consider that a canned food which carries a label designation of grade higher than they think the contents warrant is misbranded. Misbranded food invites proceeding in the Federal court for seizure and condemnation of the food and also creates a criminal liability for separate proceeding against those responsible for shipping the food in interstate commerce. Thus, the imposition of mandatory grade labeling will force the canner to risk subsequent seizure of food and criminal prosecution with regard to every can of food which he sells to the civilian trade, if at any time before the food is eaten a Food and Drug examination decides that the contents are of a lower grade than the canner deemed them to be at the time he labeled the food. There is no possible way for the canner to protect against changes in grade which may occur after he has labeled the goods and over which he can have no control whatever. For example, Fancy tomatoes can be so jostled in transportation that they will subsequently grade Extra Standard. Fancy catsup may be stored in a distributor's warehouse so as to be subject to heat and thus darken and become Extra Standard or Standard.

The canner will be faced with one of two possible ways to try to minimize seizure of his goods. He can either elect to grade the goods himself or he can ask for grading and certificates of grade from the AMA grading system. The average canner does not have anyone in his organization who is trained and experienced in grading under AMA grades, particularly where these differ from commercial practice. On the other hand, if a large proportion of the canners undertake to ask for AMA grading certificates the result will be confusion and impossible delay. The AMA graders are going to have to grade all of the government purchased goods. This represents a substantial increase over last year's grading for government purposes, and the grading service was short on manpower and necessary instruments for last year's purposes. Even then there was a great deal of regrading required last year on Army goods due to the necessary use of inexperienced men.

Much canned food is normally labeled right off the end of the canning line. And a substantial amount is normally loaded into cars directly from the labeling and boxing machines. In these instances the use of government grades would necessitate a change of practice and delay until the grader could come, take samples, and announce the grades. In some products the grading requires taking the samples to points where microscopes and refractometers are available. The supply of these instruments last year was insufficient for the grading of government purchases and extra instruments had to be borrowed. There is no available supply of the additional instruments that would be required if grading were applied to all of the pack instead of the approximate 35 per cent done last year. The extra storage requirements being placed upon the canner by the Government are such that these delays for grading purposes will operate to slow up production to an extent even greater than would be true under normal conditions.

Even when a canner gets a certificate from the government graders his goods are not immune from seizure by the Food and Drug Administration. The Food and Drug Administration does not accept the government grading if it results in a label designation which they think is higher than the content of the can. Neither can government grading offer any protection against subsequent change of grades as heretofore mentioned.

The proposal for mandatory grade labeling does not require that the food packed for the Government carry grade designations on the label. As a result, if any of the food which a canner packs and labels for the Government is subsequently released for civilian consumption, as is very likely to occur in many products, the requirement for grade labeling will necessitate that these goods be taken out of the cases, the labels stripped off, the cans relabeled and then recased before they can be distributed.

If canners do not dare to rely upon grading the goods themselves, and take the additional precaution of having certificates from government graders for the civilian pack, there will thereby be necessitated a large amount of additional cutting of samples for grading purposes, and the attendant loss of both the can and the contents. Using the minimum sample requirements for the grading service and applying it to the estimated civilian pack for 1943, the amount of food thus additionally destroyed would be sufficient to supply the present full-point ration allotment for canned food to 70,000 people for one year. This also would involve a destruction of thousands of dollars worth of food and involve the use of many additional hours of manpower.

To apply mandatory grade labeling it will be necessary for the canner, and the distributors who have their own labels, to either have existing labels imprinted or new labels manufactured. The OPA has estimated that the cost of this additional printing will be somewhere between 4 million and 9 million dollars for the coming year. The greater part of this cost is represented by additional labor. The label industry states that it would be impossible to do this work within the time available. Any part of the changes done also involves an additional drain on the manpower situation.

Nothing except the most extreme necessity should justify the imposition of this additional risk, additional cost, and additional manpower drain upon

the industry. No necessity exists whatever. The OPA has indicated that they think the system is needed to prevent evasion of their regulations. This system certainly cannot help prevent evasion of the point rationing plan as this plan does not recognize any difference in point for difference in grades.

Neither is this system necessary to prevent violations of price ceilings. The only advantage that the grade labeling could have in this respect, over and above the placing of grade designations on the invoice, would be in case it permitted the public to intelligently police ceilings. Unfortunately it can not make this possible. The retail price ceiling on goods is fixed by the addition of certain established percentages of mark-ups throughout the distribution system, these percentages being different for different types of distributors. This means that, even if all manufacturers sold the same grade of the same product at the same price, there would be wide variations in the retail prices depending upon the type of distributorship involved, and the amount of freight involved. Thus, it would be a coincidence if two different brands of the same grade of the same product would appear in the same market at the same retail ceiling price. There will be no intelligible relationship between the retail ceiling prices and the grades. The same grades will retail at different prices in the same market, and in many instances lower grades will retail at higher prices than a higher grade of the same product.

In addition, the carryover goods, and goods packed in 1943 prior to the applicability of the requirement, will carry no grade designation. Likewise, those products for which there never have been established AMA grading definitions will carry no grade designations. As a result of all of this, the consumer can only be confused and, if she attempts to police retail prices by the use of grade designations, she will unquestionably accuse honest distributors of dishonest practices.

In addition, this system will be no deterrent to the person who wants to be deliberately dishonest. The cost of stripping and relabeling goods is a minor expense to a man who is engaged in buying low quality goods and selling them at a high quality ceiling. Furthermore, our experiences during prohibition days make it evident that the bootlegger is not concerned with the statement on the label. The black market operator will not hesitate to ask more for goods than the label designations would indicate the goods should sell for.

In addition to the above, the only men with practical canning experience who are connected with the OPA have agreed that mandatory grade labeling is not feasible, cannot possibly be made effective in 1943, and is utterly unnecessary for the prevention of violation or evasion of the regulations of the OPA.

Letter From Label Manufacturers Association

March 25, 1943.

Hon. John W. Flannagan, Jr.,
House Committee on Agriculture,
Washington, D. C.

DEAR MR. FLANNAGAN:

Mr. Walter Graefe has asked me to write to you to discuss the possibility of reprinting or imprinting labels to be used on the 1943 packs of canned vegetables and fruits in accordance with the proposed requirement announced by the Office of Price Administration that the grade be printed on the label.

In my judgment it is wholly impracticable to expect that this can be done.

The fact of the matter is that labels on canned foods embrace not only canners' labels but also distributors' labels, and I am advised that over 50 per cent of the pack is under distributors' labels. There are millions of labels in stock for 1943 packing in the hands of both canners and distributors.

It is impossible even to contemplate reprinting of labels needed for the 1943 pack. Paper consumption is restricted by the War Production Board and the label manufacturers have not sufficient help to handle their orders. With present conditions, new labels could not be prepared in less than three years.

Imprinting or overprinting is a less difficult operation if it is done while the original labels are in the uncut sheet, about 40 labels to a sheet. It is extremely difficult, costly and troublesome if undertaken after labels have been varnished, cut, and prepared in bundles ready for the labeling machines.

Labels for the 1943 pack have, by and large, already been prepared and are in the hands of canners and distributors. Virtually all of them lack the grade terms proposed to be required by OPA. To imprint them it would be necessary to ship these labels to some printing plant that is properly equipped to handle labels singly and properly to overprint them, if such equipment can be found idle. The shipping problem alone offers a difficult if not impossible obstacle.

Overprinting on top of varnish is a slow and unsatisfactory operation. Overprinted labels must likewise be handled carefully so that the labels can be satisfactorily prepared and reassembled in stacks for the labeling machine. Unless this is done, trouble and slowdowns in the labeling operation result.

As a practical matter, the operation of imprinting labels is almost as expensive as the preparation of new labels and cannot be done hurriedly. The label manufacturers are already short of manpower and it is in my judgment a sheer impossibility to expect that labels showing the grade designation can be prepared for the 1943 packs.

Yours very truly,

LABEL MANUFACTURERS
NATIONAL ASSOCIATION
(Signed) CHAS. R. COSBY,
Secretary.

OPA DETERMINATION ON GRADE LABELING IS REOPENED

(Continued from page 7563)

changes. This letter is shown above.

During Mr. Bachelder's statement, John W. Flannagan, Jr., of Virginia, acting Chairman of the House Agriculture Committee, asked W. G. Campbell, Federal Food and Drug Administrator, whether canned foods labeled in accordance with government grade certificates were not subject to possible seizure by the Food and Drug Administration. Mr. Campbell replied that such might be the case. He further stated that if there were not sufficient government graders, canners would proceed under mandatory grade labeling at great risk. Mr. Campbell pointed out that Congress had failed to write grade labeling into the new Food, Drug, and Cosmetic Act and for that reason the subject was a "dead issue" to the Food and Drug Administration.

At an informal meeting of the House Agriculture Committee earlier in the week, H. T. Austern, counsel for the Association, had been asked to prepare for the Committee an opinion as to the legality of OPA's imposition of mandatory grade labeling. Mr. Austern pointed out to the Committee and Administrator Brown that under the Price Control Act no change in customary business practices could be made in a price regulation unless it was necessary to prevent evasion of the Act.

The fact that grade labeling is not necessary to prevent evasion of the Act was attested to by Dan Gerber, acting chief of the Processed Food Section of OPA.

It was following the statements made by Messrs. Bachelder, Campbell, Austern, and Gerber that Senator Brown made his announcement. In the course of his statement, the OPA Administrator remarked that grade labeling had been before Congressional Committees on a number of occasions and that by failing to approve grade labeling Congress had in effect advised administrative officers in the executive branch of the Government of its position. Weighed against this failure on the part of Congress to approve grade

labeling, the Price Administrator said he had to consider the language of the Price Control Act. Thus, Mr. Brown said, the question was whether or not grade labeling is necessary to prevent circumvention and evasion of the Act.

Mr. Bown said he had discussed the subject with OPA's labor policy committee and had arranged to hear consumer representatives express their views before his decision is issued.

At the conclusion of Mr. Brown's statement, Acting Chairman Flannagan polled committee members on their attitude on grade labeling. All committee members stated that they were opposed to grade labeling except one, who said that he had not formed an opinion one way or the other.

WAGE RAISE PROVISIONS

Authority to Approve Certain Increases Given to Regional Directors

The National War Labor Board, in attempting to speed up the handling of voluntary requests for wage and salary increases, has given the Regional Wage Stabilization Directors authority to grant increases [with the right of appeal to the Regional War Labor Board] in cases involving employers of 200 or less in all industries, and without limitation as to number of employees in all cases of maladjustment [where the level of wage increases since January 1, 1941, has not reached 15 per cent, as provided under the "Little Steel" formula].

A "shortened procedure" also has been adopted in three types of cases. The principal manner in which the "shortened procedure" facilitates the handling of applications is by eliminating complicated statistical wage analyses which were previously required. Applications which are processed under the "shortened procedure" may be approved on the basis of the information contained in the application itself, but the shortened procedure may *not be utilized* in cases where price relief will be sought on the basis of the wage increases. Subject to these limitations the shortened procedure may be used in the following cases:

1. *To eliminate inequalities for individuals or small groups.* The shortened procedure may be used in processing applications proposed by employers of 200 or less if the adjustment does not affect more than 10 employees or 10 per cent of the employees and does not exceed five cents per hour. If the application under this method is approved, the increases authorized may not be used as a basis for claiming that other inequalities have been caused thereby, and no similar application will be permitted under the shortened procedure for a period of six months.

2. *To eliminate substandard wages.* The Regional War Labor Boards now have the authority to determine, with the approval of the National War Labor Board, what constitutes substandard wage or salary rates in their regions for the purpose of permitting adjustments under the shortened procedure "up to the specified minima." Pending this determination, adjustments of wage or salary rates may be made under the shortened procedure up to 50 cents an hour or $20 a week.

3. *To correct interplant inequalities.* The Regional War Labor Board is given authority to make surveys to determine "the most frequent rate or ranges of rates for the same or substantially similar occupations" by industries, communities, or labor market areas. Applications requesting an adjustment of wages up to the rates found to be most frequent, may be processed by the shortened procedure.

The applications of canners who intend to make a wage adjustment the basis for a requested price increase, will continue to be handled in accordance with the regular, rather than the shortened, procedure.

40-Cent Minimum Wage

A 40-cent-an-hour minimum wage in the canned fruits and vegetables and related products industry has been recommended by the industry committee on which are serving representatives of employees, employers and the public. The vote, taken at a recent meeting in New York City, was 27 to 3.

The committee also unanimously voted to ask the Wage and Hour Division to recommend to the Office of Price Administration that ceilings be adjusted so as to give full consideration to the increased costs which would result from a wage minimum increase. Date for a public hearing on the proposed wage recommendation is to be announced.

Labor Shortage Areas

Industrial areas in which labor shortages have become acute now number 36, four more than a month ago, according to a recent new classification by the War Manpower Commission. The communities added to the list of shortage areas are Portland, Me.; Burlington, N. C.; Evansville, Ind.; Gary-Hammond-South Chicago, Ind. and Ill.; Tampa, Fla.; Savannah, Ga.; and Wilmington, N. C.

Three communities — Akron, Ohio; Bath, Me.; and Portsmouth, N. H.— however, have been shifted from the shortage list to the group of areas in which there is a present balance of labor supply and demand. The original list of shortage areas was published in the LETTER for February 6.

WMC Revises and Coordinates Lists of Essential Activities

Revised lists of essential war activities, including a detailed index of products, services, and facilities involved, have been issued by the War Manpower Commission for the use of U. S. Employment offices and Selective Service boards.

The 35 groups of essential activities, certified by the War Manpower Commission since July, 1942, have been indexed to show the particular industries and services included.

Approximately 3,000 items are indexed and divided into manufacturing and non-manufacturing activities in the list sent to U. S. Employment offices. These are also included in a new series of 35 activity and occupation bulletins, which have been sent to all Selective Service boards. The rearrangement of the Selective Service bulletins, it is explained, means that information in the hands of local boards will be in conformity with the information in the hands of USES and all other units of WMC. This is designed to facilitate interchange of information with reference to activities and application to individual cases.

Included in the list and index are: "Agricultural activities designated as essential to the war program; processing or manufacture of basic foods, including fresh, canned and otherwise preserved, except specialty and luxury items; also, processing and assembly of foods."

The lists are being used by Selective Service local boards in considering requests for occupational deferment of men liable for military service.

USES is using the data (1) to determine which employing establishment should have priority in the referral of workers for job openings and (2) to enable them to determine from which type of activity workers may be transferred without disrupting war production or community facilities.

New Georgia Office Location

The office of the secretary of the Georgia Canners Association will be located at a new address—c/o Mitchell Canneries, Inc., P. O. Drawer 68, Thomasville, Ga., after April 1.

WANTED AND FOR SALE

Machinery–Equipment

This column is open only to members of the Association who want to buy or sell canning machinery and equipment. Names of firms listing the items below will be furnished upon application to the Association. In requesting names, please identify items by number.

WANTED

84-W—Urschel bean or asparagus cutter.

85-W—Outfit for Howard mold count, including microscope.

86-W—1,000-gallon glass-lined or stainless steel insulated tank equipped with DX ammonia cooling coil, either horizontal or upright.

87-W—Small green bean rotary washer.

88-W—Steam hoist, with 12-foot arm.

FOR SALE

135-S—Apple canning equipment, as follows: 18 Coons paring units complete; 2 metal paring frames with tables and belts for 24 units; roller conveyor washer, 16 inches wide by 11 feet long; shafting, hangers and pulleys to accommodate apple paring equipment; four apple scoops.

136-S—Zastrow crane and hoist.

137-S—Scales, as follows: Platform (small); two test (for pulp); scoop (for spices).

138-S—Six-wheel Nutting truck.

139-S—Four steam traps.

140-S—Knapp labeler and motor.

141-S—Four pipe wrenches, rope, pulley blocks and chain.

142-S—Barrel skid.

143-S—Tomato canning equipment, as follows: Two rotary washers; inclined scalder; straight washer and scalder; Indiana pulper; Ayars double rotary filler for No. 2 cans.

144-S—Four Kook-More copper coils and eight steam traps.

145-S—Two steam Duplex pumps.

146-S—Small air compressor and tank.

147-S—24-inch by 12-foot picking table belt.

148-S—3-foot wall vent fan, belt drive.

149-S—Electric generator.

150-S—12 h.p. steam engine.

151-S—Robins steam crane.

152-S—26 feet of 2-3/16-inch shaft.

153-S—Cooling tank, 12 x 6 x 6.

154-S—Double exhaust box, No. 2 cans.

155-S—Five open process kettles and eight can crates.

156-S—40-h.p. vertical boiler.

157-S—20-inch by 36-foot boiler stack.

158-S—Kiefer rotary bottle washer.

159-S—14-valve Haller high speed rotary filler.

160-S—Crown Cork and Seal capping machine (Duplex Crowner 805-D).

161-S—Ermold labeler for both body and neck labels.

162-S—Four Chisholm-Ryder medium bean snipper machines.

163-S—Two used Monitor bean cutters, good condition.

164-S—Townsend bean cutter, new, never used.

165-S—Pfaudler glass-lined deaerator, jacket pressure 75 pounds, capacity about 250 pounds per hour of deaerated brine or French dressing.

166-S—Boutelle quince cutter.

167-S—Unit sack cleaner, pulley drive, no motor. Capacity, 75 to 100 bags per hour.

168-S—Reddington packaging machine for automatically wrapping and sealing 1-pound packages in paper.

169-S—Buffalo Duplex conoidal blower, size 7.

170-S—28-foot galvanized iron compressed air receiver, 3/16-inch iron, 72-inch H. by 29-inch D.

171-S—40-foot galvanized iron compressed air receiver, 3/16-inch iron, 65-inch H. by 36-inch D.

172-S—15-foot steam condensate receiver.

173-S—Seven miscellaneous sheet metal hoppers.

174-S—Sturtevant steel plate planing mill exhaust blower, size 30, for use with 1,735 rpm., 5 hp. motor, V-belt driven.

175-S—Two Package Machinery Company wrapping machines, Model FA, complete with ½ h.p. motors and switches.

176-S—Two Burt labelers for 8-ounce to No. 3 cans, 1922 and 1929 models, used comparatively little, good working condition.

177-S—Berlin-Chapman drum pea washer with extra drum.

178-S—Four Fairbanks-Morse 10 hp. Z type engines.

179-S—Four-inch globe (straight) nonreturn valve, 250-pound pressure.

180-S—Used cooling tank chain with lugs and 46 trolleys.

181-S—Hansen boot elevator and head.

182-S—Twelve cranberry bouncers.

183-S—Two Chisholm-Ryder green bean snippers complete with picking tables.

184-S—Three Ayars plunger type tomato fillers.

185-S—Two exhaust boxes—35 feet by 18 inches for No. 2 cans; 35 feet by 24 inches for No. 10's.

186-S—A. T. Ferrell conveyor with 10-inch buckets.

Home Canning Equipment

Arrangements have been made for the production of 150,000 pressure cookers as requested by the Department of Agriculture for this year's home canning season, the Consumers Durable Goods Division of the War Production Board announced March 24.

In view of these restrictions, it was necessary that USDA present a formal request for 150,000 cookers and that manufacturers file appeals to meet it. These have been granted, permitting allocation of materials. The cookers will be of capacity to handle seven one-quart jars, will be made of steel, and designed to withstand the hard usage of canning. They will be made according to pre-war patterns to avoid delay and waste in production of new dies, it was stated.

The Department is completing details of a plan for distributing the available cookers under State and county quotas and by purchase certificates to be issued by county farm rationing committees. The plan will be announced soon.

Lovegren with Canners League

The following press release was issued by the Canners League of California on March 19:

Carl N. Lovegren, president of the Canners League of California, who resigned as president of Hunt Brothers Packing Company as of the close of February, is now devoting his entire time to Canners League activities.

Mr. Lovegren is leaving by plane this week for Washington to represent the California fruit and vegetable canning industry at the various hearings and conferences now going on there. He will remain in Washington as long as necessary, relieving E. N. Richmond of the Richmond-Chase Company. As a public service, Mr. Richmond has spent most of his time in Washington for several months at great sacrifice to his own business operations in California. It is expected that Mr. Lovegren will spend approximately half of his time in Washington and half in California.

Preston McKinney, executive vice-president of the Canners League, will remain on the job, but at his own request will go on a part-time basis.

CANNED MEAT AND FISH PLACED UNDER POINT RATIONING

Review of Provisions of RO 16 Covers Operations Prescribed for Each Trade Factor Affected

Ration Order 16, covering meats, fats or oils, fish and cheeses, effective March 29, 1943, was issued March 22 by the Office of Price Administration. It will govern point buying and selling throughout the United States of these commodities and fixes the validity dates of four red stamp series from War Ration Book Two. Essential points of the new rationing program were noted in the INFORMATION LETTER for March 13.

The order is divided into 24 articles and starts with a preamble as to why these foods are being rationed, details why they are rationed in one group, describes how the program operates in relation to processors (primary distributors), wholesalers, and retailers, and the exceptions made for home producers.

Article I, Section 1.1 describes the foods covered by this order, as follows:

(a) This order covers "meat," "canned fish," "rationed cheeses" and "rationed fats or oils."

(1) "Meat" means the carcass or any edible part of the carcass of cattle, calves, sheep, lambs or swine. It includes edible offal, bones and skins. It also includes any other edible product containing more than 20 per cent, by weight, of any of the above items.

(2) "Canned fish" means any of the following items, if packed in hermetically sealed containers: Edible fish or shellfish or any edible part of them; fish roe, including caviar; any other edible product containing more than 20 per cent, by weight, of those items."

* * *

(4) "Rationed fats or oils," which are defined in detail in Section 24.1, include, among other products, "butter," "margarine," "lard," "cooking and salad oils" and "shortening." Mayonnaise, salad dressing, USP vitamin oils, fish liver oil, sperm oil and "fats" resulting from cooking done by "consumers" and "institutional users," are not included.

(b) No item which is a processed food covered by Ration Order 13 or which is a pharmaceutical product, is rationed under this order, even if it comes within the above definitions.

(c) Puncturing or opening the container in which "canned fish" is packed, or merely removing it from the container, does not cause it to cease to be a "food covered by this order."

The form in which points are used by consumers are the red stamps in War Ration Book 2. Other forms of ration currency authorized by OPA are "certificates" (OPA Form R-1201) and ration checks drawn on ration bank accounts.

Article II deals with application of the order to consumers and Article III with home producers.

Article IV deals with primary distributors (processors) as follows:

SECTION 4.1. *Explanation of the term primary distributor.*

(a) Any "person" who has a "primary distributor establishment" is called a "primary distributor" as to that establishment. If he has more than one such establishment, he is considered a separate primary distributor as to each of them.

SEC. 4.2. *Explanation of the term primary distributor establishment.*

(a) There are three main types of primary distributor establishments:

(1) A place where a "food covered by this order" is produced entirely from products not covered by this order (described in section 4.3);

(2) A place where an item or kind of food covered by this order is produced, by a processing operation, wholly or partly from another item or kind of food covered by this order (described in section 4.4);

(3) A place to which foods covered by this order are imported (described in section 4.5).

In certain cases, places at which no production or processing operations are performed are, for reasons of trade convenience, also considered primary distributor establishments. (These establishments are described in sections 4.7 and 4.9.) The rules which determine whether a place is a primary distributor establishment are set forth in the sections which follow.

SEC. 4.3. *A place at which a food covered by this order is produced is a primary distributor establishment.*

* * *

(b) *Canning fish.* Any place at which a person produces "canned fish," for sale or other transfer, is a primary distributor establishment. A person produces canned fish if he packs any of the items described in section 1.1 (a) (2) in hermetically-sealed containers.

(c) *Production of rationed fats or oils, or rationed cheeses.* Any place at which a person produces a "rationed fat or oil" or "rationed cheeses" for sale or other transfer, is a primary distributor establishment.

SEC. 4.4. *A place at which a food covered by this order is converted into another such food, is a primary distributor establishment.*

(a) Any place at which a person, by processing, makes any item or kind of food covered by this order, wholly or in part from another item or kind of such food, for sale or other transfer, is a primary distributor establishment.

(1) The term "processing" does not include cutting, grinding, boning, freezing, packaging or repackaging. It does, however, include curing, smoking, cooking, pickling, canning, blending, mixing, rendering, extracting, drying, dehydrating, or any other similar process by which an item or kind of food covered by this order is converted into another item or kind of such food. It also includes the manufacture of sausage, scrapple, souse and similar products.

(b) A place at which a person "acquires" and processes foods covered by this order is, however, not a primary distributor establishment as to any of those foods acquired and processed there if both of the following conditions are met:

(1) No foods covered by this order are produced there (other than by processing) and not more than 5,000 pounds of foods covered by this order are processed there in any month; and

(2) More than 50 per cent, by weight, of the transfers from there of all foods covered by this order are made to consumers; and

(3) More than 50 per cent, by weight, of the foods covered by this order which were acquired and processed there are transferred from there to consumers, or to that person's own "institutional user establishment."

(For example, a delicatessen store, which buys "meat," cures it and sells most of it to consumers, is not a primary distributor establishment. This would be so even if the owner of the store transfers some of the cured meat to his own restaurant and uses it in meals he serves there. Such a store would not be a primary distributor establishment, even though foods covered by this order are processed there. It would be a "retail establishment.")

SEC. 4.5. *A place to which foods covered by this order are imported is a primary distributor establishment.*

(a) Any place (including space in a public warehouse) to which a person imports foods covered by this order into the United States, from any place outside the United States, for sale or transfer, is a primary distributor establishment.

SEC. 4.6. *Place where foods covered by this order are produced or imported may be a primary distributor establishment as to foods not produced or imported there.*

(a) A person may produce, process, or import foods covered by this order, at a particular price, for sale or transfer. He may also regularly keep there, for sale or transfer, foods covered by this order which he did not produce, process, or import there. That place is a primary distributor establishment, since foods are produced, processed or imported there. It would also be a retail or a "wholesale establishment" (de-

pending on its operations) since foods not produced, processed, or imported there are regularly kept there for sale or transfer. However, if 90 per cent or more, by weight, of all the foods covered by this order which are transferred from there, were produced, processed, or imported there, it is considered to be only a primary distributor establishment, as to all foods covered by this order held there for sale or transfer. In that case, it would not also be a retail or wholesale establishment.

SEC. 4.7. *A place where a person keeps foods may be a primary distributor establishment even if he does not produce or import there.*

(a) Any place (including space in a public warehouse) at which a person regularly keeps foods covered by this order not produced, processed or imported there, for sale or transfer, is a primary distributor establishment as to those foods even though it does not meet the tests described in section 4.6, if both of the following conditions are met:

(1) He himself produced, processed or imported 90 per cent or more, by weight, of those foods; and

(2) More than 50 per cent, by weight, of the foods covered by this order which he keeps there are transferred from there to persons other than "industrial users," "industrial consumers," "institutional users," "retailers," or "consumers."

(b) There is also a general case in which a place where a person regularly keeps foods covered by this order which were produced, processed, or imported by someone else, is a primary distributor establishment as to those foods. If he uses 90 per cent or more, by weight, of those foods to make, by processing, other kinds or items of food covered by this order, the place where he keeps them is a primary distributor establishment.

* * *

(c) The rules set forth in this section apply whether or not the person also produces, processes or imports at that place foods covered by this order. The place is a primary distributor establishment as to any foods he produces, processes or imports there. This section and sections 4.6 and 4.9, show when it is a primary distributor establishment as to foods he did not produce, process or import there.

SEC. 4.8. *A place is a single primary distributor establishment even if a person engages in several operations there.*

(a) A place at which a person engages in more than one type of operation any one of which would make it a primary distributor establishment, is a single primary distributor establishment as to all such operations of that person. (Thus, if a person slaughters swine, renders "lard" and cures hams at the same place, that place is treated as a single primary distributor establishment of that person.)

* * *

Section 4.10 of this Article states that a place where foods are produced or imported for use only is not a primary distributor establishment.

Several subsequent sections are being reproduced in full, as follows:

SEC. 4.11. *Primary distributors must register and file reports.*

(a) *Registration.* Every primary distributor must register with the Office of Price Administration, by filing an additional copy of his first report, along with that report.

(b) *Reports.* Every primary distributor must file a report covering the operation of his primary distributor establishment during each reporting period ending on or after April 30, 1943. His first report must include his operations from March 29, 1943, to the end of his reporting period. If he has more than one primary distributor establishment, he must file a separate report for each. The report must be filed within fifteen days after the end of the reporting period it covers. A primary distributor may adopt any one of the following reporting periods:

(1) Calendar months; or

(2) Consecutive four week periods; or

(3) A system which divides the fiscal year into either four or five periods of five consecutive weeks and either seven or eight periods of four consecutive weeks.

The report must be signed by him or by his authorized agent, and is considered filed on time if the envelope in which it is enclosed is postmarked on or before the day it is due.

(c) *Form to be used.* A primary distributor who sold or transferred foods covered by this order worth $2,000 or more during any of his reporting periods from January 1, 1942, on, or who used points during the reporting period to "acquire" foods, or who imported such foods during that period, must report on OPA Form R-1606.

Any other primary distributor must report on OPA Form R-1609, but need not file a report for any reporting period during which he made no transfers of foods covered by this order (other than loans permitted by section 3.1 (b)). Once a primary distributor has reported on OPA Form R-1606, he must continue to use that form thereafter.

(d) *Information to be given.* A primary distributor must give all information called for by the form on which he reports. A primary distributor, required to report on OPA Form R-1606, must, among other things, report his inventory of rationed foods at the establishment covered by the report, at the beginning and end of the reporting period.

(e) *Inventory.* A primary distributor's inventory at his primary distributor establishment consists of all foods covered by this order which are physically located there or in transit to it, including foods which he holds there on consignment. If he has any such foods at or in transit to any place which is not an establishment of any type under this order, he must include them in the inventories of his establishments under this order, but he may divide them among those establishments as he chooses. He must, in that case, report the place where those foods are kept and the amount kept there which he is including in the inventory of his establishment. However, the following items are not part of his inventory:

(1) Food stored for a person other than his customer or transferee, or held as security for a loan to someone else (or similar transaction), or in transit for either of those purposes;

(2) Foods included in the inventory of one of his other establishments of any type.

(f) *Place for filing report.* A primary distributor who reports on OPA Form R-1606, must file it with the district office for the place where his establishment is located. If he reports on OPA Form R-1609, he must file it with the "board" for that place.

(g) *Change in reporting period.* A primary distributor who wishes to change his reporting periods, by reason of a change in his accounting periods, may apply to the district office (or to the board) with which he files his reports, for permission to make the change.

The application must be made on OPA Form R-315, and must give the reasons for the change desired. The district office (or the board) shall act on the application according to the circumstances of the case.

SEC. 4.12. *Primary distributor may not do business if he does not file reports.*

(a) No primary distributor may transfer or acquire any food covered by this order after any date on which a report is due from him, until he has filed that report.

SEC. 4.13. *A primary distributor must surrender to the Office of Price Administration all points he is not permitted to use.*

(a) A primary distributor must give up to the Office of Price Administration, for cancellation, all points he receives for sales or transfers of foods covered by this order, except for points he uses for a purpose permitted by paragraph (c) or (d) of this section. He must attach to his report for each reporting period all points not so used which he received during that period for sales or transfers of such foods. If he has, or is required to have, a ration bank account, he must give them up in the form of a certified ration check (payable to the Office of Price Administration) drawn on his ration bank account. If he has no account,

he must give them up in the form he received them.

(b) A primary distributor who has received "stamps" which are not yet valid, in the way permitted by section 3.2, must enclose those stamps with his report for the period in which he received them. He may not use or deposit them.

(c) A primary distributor may use points only for the following purposes: (1) To acquire foods covered by this order, for the purpose of processing them;

(2) To acquire, for sale or transfer without processing, foods produced, processed or imported by someone else, in an amount up to (but not exceeding) ten per cent by weight of his total transfers from his primary distributor establishment during the reporting period;

(3) To acquire, for his primary distributor establishment, foods which he produced, processed or imported elsewhere;

[NOTE: It is not a primary distributor establishment as to those foods unless it meets the tests described in section 4.6 (a) or 4.7 (a). If it does not meet one of those tests, its points may not be used to acquire such foods, except as permitted by (1), (4) and (5) of this paragraph.]

(4) To return points for underdeliveries of foods, as permitted by section 10.9;

(5) To get back foods he transferred, if his transferee returns them to him.

(d) The points of a primary distributor establishment to which section 4.9 applies may, however, be used only for the following purposes:

(1) To acquire butter or rationed cheeses for that establishment;

(2) To return points for underdeliveries of butter or rationed cheeses as permitted by section 10.9;

(3) To get back butter or rationed cheeses transferred, if the transferee returns them.

SEC. 4.14. *Primary distributors may get points to acquire foods.*

(a) A primary distributor who does not have enough points after April 10, 1943, to acquire foods covered by this order for a purpose permitted by section 4.13 (c) or (d), may, before May 1, 1943, deposit in his ration bank account a "credit authorization" on OPA Form R-1608, for the number of points he needs, up to the maximum permitted under the next paragraph. The credit authorization must be signed by him, or by his authorized agent, and he must give all the information it calls for. (Only one credit authorization may be deposited for any primary distributor establishment.)

(b) The maximum number of points for which a primary distributor may issue and deposit a credit authorization is three times the number of pounds of all foods covered by this order which he acquired during the first three months of 1943.

(c) A primary distributor who, after April 18, 1943, needs more points to acquire foods covered by this order, for a purpose permitted by section 4.13 (c) or (d), than he has available may apply for additional points. The application must be made, on OPA Form R-315, to the district office with which his reports must be filed. The application must show the number of points he has, the reason he needs more, the number he needs and the time for which he needs them. If the district office finds that he needs more points for one or more of the purposes described in section 4.13 (c) or (d) it may issue to him a certificate (OPA Form R-1201) for the number of points he needs. If it finds that he needs them temporarily only, it may fix a time within which he is to return the points, and he must then return them at or before the time fixed.

SEC. 4.15. *A primary distributor who has more than one establishment must operate them separately.*

(a) If a primary distributor has more than one primary distributor establishment, they are treated and must be operated separately, for all the purposes of this order, just as if they were owned by different persons.

SEC. 4.16. *Primary distributors must keep records.*

(a) Beginning March 29, 1943, every primary distributor must keep, at his primary distributor establishment, a record showing his production and processing, by weight, and his acquisitions and transfers, by weight and point value, of each of the following foods: Meat, canned fish, rationed cheeses, butter, margarine, lard, shortening and cooking or salad oils.

(b) In addition, at the time of any change in the point value of any item of food covered by this order, every primary distributor must make and keep at his establishment, a record of the amount of the item he has in his inventory, and of its point value before and after the change.

Article V deals with wholesalers, Article VI with retailers, and Article VII with industrial users and industrial consumers.

Most canners packing products rationed under this order will be classed as primary distributors. However, in a few instances it may be necessary for a canner to qualify as an industrial user.

Article VIII deals with combined operations and combined establishments, such as wholesaler and retailer, primary distributor establishments, or industrial use establishments.

Article IX discusses Ration Bank Accounts, the operation of which were described in the INFORMATION LETTER for February 13, 1943, and were also covered in "OPA Retailer-Wholesaler Bulletin No. 16," copies of which were sent to all members last week.

Article X deals with sales and transfers of foods covered by this order and section 10.1 states that "(a) beginning March 29, 1943, only 'retailers,' 'wholesalers,' and 'primary distributors' may sell or 'transfer' 'foods covered by this order.'"

SEC. 10.2. *Transfers to certain persons after March 28, 1943 may be made only for points.*

(a) Beginning March 29, 1943, no person may sell or transfer foods covered by this order to anyone other than a retailer, wholesaler, or primary distributor, and no person other than a retailer, wholesaler, or primary distributor may buy or acquire those foods, regardless of any contract or other agreement, unless points are given up in the way this order requires.

(b) No points may be given up by, or accepted from, a retailer, wholesaler, or primary distributor for any foods covered by this order transferred to or acquired by him before April 10, 1943.

SEC. 10.3. *Transfers to retailers, wholesalers and primary distributors after April 10, 1943, may be made only for points.*

(a) Beginning April 11, 1943, no person may sell or transfer foods covered by this order to a retailer, wholesaler, or primary distributor, and no retailer, wholesaler or primary distributor may buy or acquire those foods, unless points are given up in the way this order requires.

* * *

SEC. 10.5. *How foods covered by this order are transferred to persons other than consumers.*

(a) *General.* Foods covered by this order may be transferred to and acquired by a retailer, wholesaler or a primary distributor after April 10, 1943, or transferred to and acquired by an industrial or institutional user or industrial consumer after March 28, 1943, only if he gives up to the seller or transferor points exactly equal to the point value of the foods transferred, except that fractional amounts are to be handled in the way described in section 10.6. (Certain exceptions to this rule are covered in Article XI.)

(b) *How transfer may be made.* A food covered by this order may be transferred only in a form in which it appears on the Official Table of Trade Point Values (OPA Form R-1612) or the Official Tables of Consumer Point Values (OPA Forms R-1313 and R-1611).

(c) *Point value.* The number of points which must be given up for a transfer of these foods is determined by their point value at the time of the transfer.

(d) *When points must be given up.* The transferor must get the points

from the transferee, and the transferee must give them up, at or before the time when the transfer is made. However, if the transfer is made through shipment by railroad or any other public carrier, the transferor may arrange to have the carrier get the points for him from the transferee at the time of actual delivery, or to have the points obtained for him by anyone in exchange for the bill of lading or other document entitling its holder to take possession of the foods. Where transfer is made by delivery at a time when the transferor or his authorized agent or the transferee or his authorized agent is not present, the points may be given up later, but not more than seventy-two (72) hours after the delivery.

Canners delivering ration products under this order may accept points in the form of stamps, certificates, or ration checks. In most instances it is expected that the ration check will be the instrument used.

* * *

SEC. 10.10. *Points must be given up for imports of foods.*

(a) Any person * * * who imports foods covered by this order must give up points equal to the point value of those foods to the Collector of Customs (or his deputy) at or before the time the foods are released or delivered to him by the Collector.

(b) The Collector of Customs shall turn over, each month, to the State Office for the area in which the port of entry is located, all points received by him in this way during the preceding month.

Article XI deals with Point-Free Transfers, as follows:

SEC. 11.1. *Foods in transit to industrial or institutional users or industrial consumers on March 28, 1943, may be acquired point-free.*

(a) No points need be given up for delivery of "foods covered by this order" to an "industrial" or "institutional user," or to an "industrial consumer" if those foods were in transit to him on March 28, 1943.

[NOTE: Foods which were in transit to an industrial or institutional user at the close of business on March 28, 1943, must be included in the inventory which he reports in his registration.]

SEC. 11.2. *Foods in transit to primary distributors, wholesalers, or retailers on April 10, 1943, may be acquired point-free.*

(a) No points need be given up for a delivery of foods covered by this order to a "primary distributor," "wholesaler," or "retailer," if those foods were in transit to him on April 10, 1943.

Other regulations governing point-free transfers in this Article are similar to those published in the INFORMATION LETTER for February 13.

Article XII deals with regulations to be followed should a sale, or transfer of a retail, wholesale, or primary distributor establishment take place.

Article XIII states how new retail and wholesale and primary distributor establishments may be opened.

Article XIV states what must be done when a business is closed.

Article XV states how adjustments may be made for lost, destroyed, or stolen foods.

Article XVI states how certificates are issued and by whom, the length of time they are good for, proper endorsement of same, etc.

Article XVII states the requirements for keeping records and reports, and provision for inspections and Article XVIII with additional records to be kept by chains.

Article XIX deals with appeals, and Article XX with miscellaneous rules and prohibitions.

Article XXI deals with Exports, as follows:

SEC. 21.1. *Foods covered by this order may be exported point-free.*

(a) Any "person" who exports "foods covered by this order" to any foreign country or to any territory or possession of the United States (other than the District of Columbia) need not receive points for the export.

SEC. 21.2. *Points may be obtained to acquire foods covered by this order for export.*

(a) A person who needs points with which to "acquire" foods covered by this order for export to any foreign country or to any territory or possession of the United States (other than the District of Columbia), may apply, on OPA Form R-315, to the district office for the place where his principal business office is located.

Article XXII deals with Exempt Agencies and Other Special Cases; Article XXIII with Suspension Orders, and Article XXIV contains the definitions of the order.

New Pennsylvania Offices

The Pennsylvania Canners Association has taken new offices, located in Rooms 210-211 of the Manufacturers Association Bldg., 25 N. Duke St., York, Pa. In addition to the offices proper, the location provides a conference room and large assembly room. The offices are in charge of William A. Free, continuing as executive secretary and treasurer. The office of Canning Industry Coordinator for Pennsylvania, held by Wirt S. Winebrenner and located in Hanover during the past year, also has been moved to the new quarters at York.

FROZEN VEGETABLE GOAL

Increase of 100,000,000 Pounds Over Last Year Is Planned

An expansion program to increase the production of quick-frozen vegetables by nearly 100,000,000 pounds over the 1942 output was announced March 23 by the Department of Agriculture.

This increase, for which facilities already have been approved, is expected to bring total frozen vegetable production to over 200,000,000 pounds. The increase in output will be primarily for the purpose of meeting expanding requirements of the armed forces. Approximately 30 per cent of the production increase, however, will be available to civilian consumers, and will give them a total of about 180,000,000 pounds —about 20 per cent more than in 1942.

The armed forces are utilizing frozen vegetables to supplement supplies of canned products, and thereby conserve tinplate. Because of a lack of refrigerated cargo ships, these frozen foods are used principally in the United States.

Expansion of 37 quick-freeze plants which have been approved, will provide for most of the additional production, with about 25 other plants expected to increase production with existing facilities.

A bank of materials for the expansion program was provided by the War Production Board, and applications for the materials to expand individual plants were approved by a joint committee composed of WPB, USDA, and War Department officials. This bank of materials has been used up and no further applications for facilities for 1943 production can be considered. The program is now under the direction of the Food Distribution Administration.

Peas will lead in production, with a frozen pack in 1943 due to reach about 94,000,000 pounds—30,000,000 more than in 1942. Lima beans also are a major item, with the output of the frozen product expected to increase from 32,000,000 pounds produced in 1942 to about 48,000,000 in 1943.

Other expected increases include frozen spinach, from 18,000,000 pounds in 1942 to 28,000,000 in 1943; snap beans, from 14,000,000 pounds to 25,000,000; corn, from 12,000,000 to 25,000,000 pounds; broccoli, from 5,000,000 to 9,000,000; and miscellaneous varieties of frozen vegetables, from 19,000,000 to 35,000,000 pounds.

FDA officials said that these 1943 production estimates are subject to many factors, including labor supply, crop yields, and the length of time required to complete plant expansion.

FARM BILLS OPPOSED

OPA Administrator Brown Is Against Pace, Bankhead Measures

Price Administrator Prentiss M. Brown signified his opposition to the Pace and Bankhead bills, now pending in Congress, in identical letters to Congressional leaders on March 25.

The measure bearing Senator Bankhead's name would prohibit, in the fixing of maximum prices on agricultural commodities or products processed in whole or in part from agricultural commodities, deductions for government benefit, parity, incentive, or other such payments. The Pace bill would amend the parity formula to include farm labor costs.

The Bankhead bill has passed both the Senate and the House, but, owing to an amendment of the House, it is now awaiting Senate concurrence in the House action. The Pace bill also has passed the House and is now being debated in the Senate.

In opposing the two measures, Mr. Brown wrote that their adoption would "raise the retail price of foods between 17 and 18 per cent, increase the annual food budget of consumers by three and three-quarter billion dollars, and cost the Government an additional one and one-quarter billion dollars a year.

"So radical a change in the price of foods would end the stabilization of prices. It would end the stabilization of wages as well. The stabilization of wages can be justified only upon the basis of a stable cost of living. We must face the fact that radical change in the cost of food means radical change in the 'Little Steel' formula as well. If the Congress requires the one, it must accept responsibility for the other."

Telephone Service Permitted

Telephone service may be installed for "producers of substantial quantities of food where such service is essential to such producers' operations," under a War Production Board order, U-2, issued by the Office of War Utilities on March 25.

Previously, limitations on extensions in many instances denied telephone service to such customers. Service now may be supplied provided "that in no single case shall there be used more than 100 pounds of steel or iron wire in the case of grounded circuits nor more than 200 pounds in the case of metallic circuits for each such subscriber connected."

Cabbage Acreage Report

If intended plantings of cabbage as of March 15, reported by the Bureau of Agricultural Economics, materialize, the total commercial cabbage acreage (for market and for kraut) in the United States in 1943 will be 171,850 acres, compared with 184,420 acres harvested in 1942. This estimate appears in a BAE report dated March 22.

OPA To Set Grape Ceilings

The Office of Price Administration has announced that ceiling prices would be placed, prior to the harvest of the new crop, on all types of California grapes.

There will be probably separate ceilings for table varieties, raisin grapes and wine types, OPA indicated. The Department of Agriculture has concurred in the plan to establish these ceiling prices.

Amendment Defines Authority Of Interior in Fish Production

The Secretary of Agriculture has amended Food Directive 2, issued February 8 and reported in the INFORMATION LETTER for February 13, so as to define more specifically the responsibilities delegated to the Secretary of the Interior in regard to the production of fish and other forms of aquatic life.

The amendment defines "production," as used in the original order, to include the catching and harvesting of any form of aquatic animal or plant life and the processing thereof. Under the amendment, the Secretary of Interior is specifically "authorized and directed" to exercise the powers of allocation, concentration, or conversion in so far as they pertain to production, delegated to the Secretary of Agriculture by Executive Order No. 9280.

In exercising the powers, the Secretary of Interior is to be guided by recommendations of the Food Distribution Administration with respect to the amounts and kinds of fishery commodities or products required for war and essential civilian needs. FDA will perform all functions in connection with procurement, inspection, standards, labeling, allocation, conservation, limitation, specifications of product or container and container supply with respect to distribution of processed fishery products.

Any orders or regulations by the Secretary of Interior prior to the amendment, but which are covered by it, were ratified and confirmed by the Secretary of Agriculture.

J. C. RICHENDRFER DIES

Northwest Canner Is Stricken Suddenly While at Telephone

J. C. Richendrfer, of the C. S. Kale Canning Co., Everson, Wash., was stricken suddenly while telephoning in a Seattle hotel on the evening of March 22. Apparently death was instantaneous.

One of the ablest canners in the Northwest, his untimely death is a real loss, not only to his company, but to the industry. "Rak," as he was affectionately known throughout the trade, combined shrewd, sound sense with a native wit and humor that characterized his conversation and correspondence. He was forthright in both word and action, yet always considerate of opposite positions and points of view.

These qualities were evidenced in an active career embracing not only his private business, but activities of his State and national canning associations. He had served as a director of the Northwest Canners Association, and in 1928 was vice president, and in 1930 president of that organization. For several years thereafter he was a leader in the Apple and Apple Products Section of the National Canners Association, holding at different times, from 1930 through 1940, the offices of secretary, vice chairman and chairman. In 1934 and 1935 he served on the Board of Directors of N.C.A.

Mr. Richendrfer was born in a sod house in Webster County, Nebraska, on June 8, 1879, and went to Bellingham, Wash., in early childhood. At an early age he was associated with his father in the operation of a shingle mill and later was a partner in a barber shop. His entry into canning came about through his appointment as administrator of the estate of C. S. Kale, and in 1924 he became general manager of the C. S. Kale Canning Co.

Limitation on Wrappers

Non-essential uses of glassine, greaseproof and vegetable parchment have been prohibited by the War Production Board, through issuance of General Conservation Order M-286. It is estimated by WPB that this conservation of material, formerly used largely for transparent decorative wrapping, will effect a saving of from 10,000 to 15,000 tons per year.

Essential uses of this type of paper are classified by WPB as: Packaging of food, ordnance, drugs and health supplies and tracing papers in industrial plants and for electrical insulation.